

November 6, 2009

WASHINGTON, DC - U.S. Congressman Michael Arcuri (NY-24) voted in support of the Expedited CARD Reform for Consumers Act to move up the enactment date of the Credit Cardholder's Bill of Rights Act from February 2010 to next month, December 1. Congress passed, and President signed into law, legislation this spring to protect consumers from unfair and deceptive practices by credit card companies which was originally slated to go into effect next year. In response to higher instances of consumer abuse and poor consumer treatment by card companies over the past few months, the House of Representatives moved to speed up enactment to rescue consumers now from predatory activity. This bill would prevent credit card companies from introducing new charges to harm consumers, as has been the case with Bank of America and Citigroup. Those two companies announced recently that they would be charging their customers additional fees if they don't carry a balance on their card from month to month or year to year.

"Enough is enough. Since credit card companies have proven they can adjust their rates and fees swiftly, there's no reason to delay enacting the necessary changes to protect the consumer," **Arcuri said**. "We have a duty in Congress to protect the American people now and to that end I'm proud that we've decided to enact these regulations sooner."

The Expedited CARD Reform for Consumers Act moves up the effective date for a number of crucial measures passed in the Cardholder's Bill of Rights Act to protect consumers from unfair interest rate hikes on existing balances, double-cycle billing and due-date gimmicks. These reforms are intended to bring transparency and fairness to the credit card industry and will disclose to customers clear, pertinent information about their credit card contracts.

The Credit Cardholder's Bill of Rights Act, which the President signed into law in May, includes the following:

- Requires 45-days advanced notice of interest rate increases;
- Requires credit card companies to use 5 p.m. local time as the cut-off for receipt of payment on the due date. Currently, some companies use 10 a.m. as the cut-off, meaning a payment could arrive on the due date and still be considered late, triggering finance charges;

- Requires credit card companies to apply payments to debt with the higher interest rate, allowing consumers to pay off debt more quickly;
- Prohibits calculation of interest more than once per monthly cycle;
- Requires monthly statements to be sent 21 days before their due date, rather than the current minimum of 14 days that many companies use; and
- Requires issuers extending credit to young consumers under the age of 21 to require either a co-signor or proof that the applicant has an independent means of repaying any credit extended.

The Expedited CARD Reform for Consumers Act, voted for by Arcuri, passed the House of Representatives on Wednesday, November 4, 2009 by a bi-partisan majority of 331-92.

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